

Montana Department of
Public Health & Human Services

Section:

Serving the Family

CHILD CARE

Subject:

Invoice & Payment Processes

Supersedes: **Child Care 6-8 (5/1/05)**

References: **37.80.315-316, 37.80.502 ARM**

General Rule

The child care certification plan indicates the benefit available for approved activities. If additional care is needed, documentation must support claims. Child care scholarship payments are limited to actual daily attendance, within one-quarter hour, and must be for approved activities only within the limits of the child care certification plan. Sign-in/sign-out records must support claims, including corrections and adjustments.

Invoices expire 60 days after the last day of the calendar month in which the service was provided. Invoices and adjustments must be received by the CCR&R within this period in order to be paid.

If a certification plan is not completed until after the calendar month in which the child care is provided, the claim will be considered to be filed timely if a completed invoice is received by the CCR&R within 60 days after the invoice is sent to the provider.

EXAMPLE: LUP applies to provide care July 15th and begins providing care. Background checks are completed August 7th and a certification plan for the period of time July 15th to Dec 15th is issued. The July invoice will expire Oct. 13th – 60 days after the invoice was sent to the provider. The August invoice will expire Oct. 30th – 60 days after the end of the month in which the care was provided.

Invoices are submitted to the local Child Care Resource and Referral Agency for processing. In the future, licensed and registered providers in good standing will be able to enter invoice information on the Internet. Direct deposit is a prerequisite to Internet billing.

IRS W-9, AWACS

Individuals and businesses receiving child care payments must submit an

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& IRS 1099

IRS W-9 form to the DPHHS Fiscal Bureau for Agency Wide Accounting Client System (AWACS) payment processing. Generally, IRS W-9 forms are forwarded to DPHHS Fiscal through the Child Care Licensor or the CCR&R. Put the CCUBS 'Person' or 'Organization' number on the IRS W-9 form. IRS W-9 address information must be kept up-to-date in AWACS to avoid payment delays.

NOTE: The tax ID number and the name indicated on the W-9 must match IRS records. If an individual, Jane Doe, is doing business under her personal social security number, she must list her personal name, not a pseudo business name, such as "Jumpin' Jane's Day Care," on the W-9 form. Payments are issued in the name listed. If there is no business account or business tax ID number, a bank may not cash the payment.

Providers who receive \$600.00 or more in child care subsidies and other payments during the calendar year should receive a 1099 tax statement from the State of Montana. The deadline for mailing 1099s is January 31st. The State reports 1099 information to the United States Internal Revenue Service.

Legally Unregistered In-home (LUI) payments may not generate a 1099. LUI payments are issued directly to the parent who employs the LUI.

Scholarship Will Not Pay More Than Others Pay

In all cases, the Best Beginnings Child Care Scholarship will not pay more for services than non-scholarship parents pay for the same service. Child care provider policies must treat all families equally with regard to the following Best Beginnings Child Care Scholarship policies. Providers must submit a copy of their written policies to the CCR&R to document these practices before scholarship payments will be approved under the following policies:

- ☐ Holidays;
- ☐ Certified Enrollment; and
- ☐ Hold-the-Slot.

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Scholarship Will Not Pay Twice

In all situations, the Best Beginnings Child Care Scholarship will not pay twice for the same care. When a parent chooses to move to a new child care provider, the Child Care Scholarship follows the child. The parent is responsible for any notice or payment obligation to the previous child care provider.

EXAMPLE: Certified enrollment days are not available to the previous provider when a child moves to another child care setting. The benefit moves with the child and is available to the current child care provider.

EXCEPTION: In the circumstance where a child is already authorized for full-time care with a LUP/LUI and a registered/licensed child care provider, and the child can not attend the registered/licensed child care facility because of illness, yet care is provided by the LUP/LUI; both providers are eligible for payment. The LUP/LUI can claim the day as a regular day and the registered/licensed provider can claim a CE day.

Sign-in/Sign-out Records

All child care providers shall maintain current sign-in/sign-out records for each child receiving child care assistance and utilize them as follows:

- Each time the child enters or leaves the provider's care, the parent or other individual authorized to deliver or pick up the child shall initial or sign the sign-in/sign-out sheet. If a parent is not available to sign the child in or out, the parent may submit the child's schedule to the provider indicating the child's attendance and the alternate mode of transportation. The provider shall note the child's time-in and the child's time-out. The parent shall sign the next time the child is signed in or signed out.

EXAMPLE: A parent may not be available to sign a child in if a school-age child walks to the child care facility. When the parent

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picks up the child, they shall sign for the time the child arrived and sign the child out.

- ☐ An electronic signature system may be used if it employs a unique and confidential identification process for individuals.
- ☐ Sign-in/sign-out records must indicate the child's name, the date, the hour, and the minute when the child enters and leaves the provider's care.
- ☐ The provider shall make sign-in/sign-out records available to child care resource and referral agency staff and state and local government health, safety or law enforcement representatives upon request.
- ☐ The provider shall keep sign-in/sign-out records for five years beyond the date of attendance.

A bus driver may sign children in or out.

Incomplete or inaccurate sign-in/sign out records may cause the delay or the denial of scholarship payment. The CCR&R may request sign-in/sign-out records to verify invoices if questions arise.

**Actual Daily
Attendance
Supported by Sign-
in/Sign-out
Records**

Invoices must reflect actual daily attendance and be supported by the child care certification plan, the parent's approved activity schedule, the child's school schedule, and by sign-in/sign-out records.

If child care is provided outside the parent's schedule of approved activities, the provider may make a personal arrangement with the parent. The provider shall not bill the State for care provided when the parent is not participating in approved activities.

Quarter Hour

In an effort to maintain consistency across the state, ECSB will use quarter

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Billing



(1/4) hour increments as a standard for billing purposes. While a provider's attendance records should reflect actual arrival and departure times as indicated by approved activities, total attendance hours may be rounded to the nearest quarter (1/4) hour when providers bill for care.

EXAMPLE: 5 hours, 35 minutes rounds down to 5.5 hours
5 hours, 40 minutes rounds up to 5.75 hours

⇒ **CCR&Rs should direct providers to bill for actual time the children were in care for the parent's approved activities.**

Accurate Invoices

Provider shall clearly note any billing exception on the comment lines provided on the invoice. Examples include, but are not limited to, the following:

- ☐ Certified Enrollment;
- ☐ Holiday;
- ☐ Hold-the-Slot;
- ☐ Early Release from School; and
- ☐ School Holiday (requiring full day of child care).

Timely Invoices

Timely claim filing is a prerequisite for payment:

- ☐ Invoices should be submitted to the CCR&R for processing within three business days following the child care service month.
- ☐ Invoices and any invoice corrections must be submitted to the CCR&R within 60 days of the end of the service month or within 60 days of the date the invoice is issued if the certification plan was issued in the month following the month of service. Generally, expired invoices are NOT eligible for payment.

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**Alternate Invoice
Format**

Upon approval by the CCR&R, child care providers may use an alternate invoice. The CCR&R approval must be done before the alternate invoice is used.

**Unexplained
Absences**

Child care providers are required to notify the CCR&R of unexplained absences (five or more consecutive days) and are asked to notify the CCR&R of irregular attendance within three working days.



If the provider fails to notify the CCR&R after five or more consecutive days of unexplained absences, the CCR&R will not pay for child care during the time period after the 5th day of unexplained absence. The provider is not eligible to receive a paid 10-day closure notice period. The provider may use CE days for the child's first five days of unexplained absences if the child is eligible for CE days.

When the provider notifies the CCR&R of a child's unexplained absence, the CCR&R shall attempt to contact the parent either at the parent's residence or at the parent's place of employment. After attempts to contact the parent by phone or mail fail, the CCR&R shall begin procedures to close the case.

- ⇒ Ten-Day case closure notice is sent to both the parent and to the provider.
- ⇒ Case note all attempts to contact the family.
- ⇒ In the case that the provider has charged CE days for any unexplained absences, the CCR&R may pay the first five unexplained absent days as Certified Enrollment days. Any days after the 5th unexplained absence day and prior to the ten-day case closure notice period will not be paid to a provider who reported the unexplained absences by the 5th

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day. If the provider failed to report the unexplained absences to the CCR&R by the fifth day, no closure notice will be paid to that provider.

- ⇒ The CCR&R Eligibility Specialist will pay the ten-day closure period as regular scheduled days according to the certification plan.

**Co-payment –
Failure to Pay**

When a parent fails to pay their co-payment, review Co-payment Requirements, as outlined in Section 6-4.

- ⇒ Request verification within ten days notifying the parent and provider.
- ⇒ If verification of payment (or satisfactory arrangement) is not received, close the child care scholarship.
- ⇒ Provide notice to the parent and provider ten days before child care scholarship closure.
- ⇒ The parent has until the closure date to verify that they have paid the required co-payment.
- ⇒ Case note.

Payment Address

If the payment address is not current, the payment will be sent by return mail back to DPHHS Fiscal. Anticipate a delay of one to three weeks while the payment is returned to the State, the correct address located, and the payment re-mailed. Providers may avoid payment delay by notifying and sending an updated W-9 before changing their address.

**Change to Payment
Address**

Licensed & registered providers, LUPs, and parents who receive a payment must notify the local Child Care Resource and Referral agency when a change of address has occurred to ensure that payments are sent to the proper address. The provider or parent will be required to complete a W-9

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form before information will be changed in CCUBS.

- ⇒ If the change of address is for a registered or licensed provider, the CCR&R must update the OG screen for current address and correct tax ID information.
- ⇒ If the change of address is for a LUP or parent, the CCR&R must update the PS screen for current address and correct tax ID information.
- ⇒ Write the respective OG or PS number on the top of the W-9 and forward the form to the DPHHS Fiscal Dept. For a parent who is completing the W-9 to receive payments, write “Head of Household – No 1099” in the top-center of the W-9 form.

Batch Payments, Warrants, SORs, and EOBs

Invoices are batch processed for cost effectiveness. Child care providers serving several families generally receive one combined payment. CCUBS processes invoices and requests payment through AWACS around 1:00 p.m. on the following days:

- ☐ 5th business day of the month;
- ☐ Subsequent Tuesdays; and
- ☐ The last business day of the month.

Warrants (payments) come in an automated mailer format with a brief explanation. A payment advice is mailed to confirm each Direct Deposit. Later in the month, providers receive a detailed Statement of Remittance. Parents receive a similar statement for their family called an Explanation of Benefits.

Direct Deposit

Direct Deposit service for payments to providers is available.

1. The provider completes a ‘Direct Deposit Sign-Up Form’ (Standard Banking Form 1199A) at their bank. The provider should return the

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form to their CCR&R who will add the correct OG# or PS# on the right side of the form. (OG# for licensed or registered providers and PS# for LUP or HOH.)

2. Complete the 'Payee' (1) and 'Government Agency' (2) portions of the form using the DPHHS Fiscal Bureau address listed below.
3. The provider's bank provides the 'Financial Institution' (3) information, or a provider may want to securely attach a cancelled check in the financial information area. Deposit tickets will NOT be accepted because the routing information is sometimes different than the checks.
4. CCR&Rs will mail the completed Direct Deposit form to the following address:

DPHHS Fiscal – AWACS
111 North Sanders
PO Box 4210
Helena, MT 59604-4210

- ☐ After direct deposit arrangements are made, the first payment will still come in the mail. This allows DPHHS and the provider's bank to test the direct deposit arrangement without jeopardizing delivery of the payment.
- ☐ Each Direct Deposit requires two business days from the date the invoice is processed for electronic fund transfer (EFT) processing. Depending upon mail services, Direct Deposit is almost as timely as payment by mail.
- ☐ The Department will mail a confirmation of each Direct Deposit transaction to the provider. This will have a "settlement date." This is the date the EFT should be at your bank.
- ☐ If, after trying Direct Deposit, a provider wants to return to receiving payments by mail, contact the ECSB to change the payment method with an e-mail to the HHSCCUBSPayments@mt.gov mailbox.

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Online Invoice Processing

In the future, CCUBS will have online invoice processing available. To use this feature a provider must have Internet access and Direct Deposit. Arrange for Direct Deposit before setting up online billing. To setup online billing, enter the CCUBS Provider Payment Information (CPPI) module through the Virtual Human Services Pavilion at <http://vhsp.dphhs.state.mt.us/>.

1. From the Pavilion, select the Human Service button. Then from the Human Services rotunda, choose the Child Care Resources kiosk. This leads you to child care information. Under the Provider Section, click on CCUBS Provider Payment Information.
2. Print the security access request form and mail it to the address printed on the form. Once a provider has access, they can search for warrant status, child invoices, and submit invoices online.

Corrections

If inaccuracies result in an underpayment or overpayment, follow policies outlined in Corrections & Overpayments, as outlined in Section 6-9 of this manual.